

Message Text

LIMITED OFFICIAL USE

PAGE 01 MAPUTO 00050 141201Z
ACTION AF-04

INFO OCT-01 ISO-00 SS-14 EB-03 SP-02 INR-05 /029 W
-----141218Z 041332 /11

P 131311Z JAN 77
FM AMEMBASSY MAPUTO
TO SECSTATE WASHDC PRIORITY 5404

LIMITED OFFICIAL USE MAPUTO 50

STADIS////////////////////////////////

LIMDIS

E.O. 11652: N/A
TAGS: EAID, MZ
SUBJ: ADDITIONAL FOOD ASSISTANCE FOR MOZAMBIQUE

REF: (A) 76 STATE 312710; (B) 7" STATE 303205; (C) 76 MAPUTO
1447 (D) MAPUTO 49

1. SUMMARY:NON-BASIS REVIEW OF STANDARD PROVISIONS OF
PL480 TITLE I
AGREEMENT, EMBASSY ASSESSES CHANCES OF GPRM

ACCEPTING TITLE I RICE PROGRAM AS SLIGHTLY BETTER THAN 50-50
PROVIDED OF COURSE THAT U.S. PRICE OF RICE IS COMPETITIVE.
END SUMMARY

2. OF PROVISIONS DESCRIBED IN REFTEL W, WE BELIEVE TWO MAY
CAUSE PROBLEMS.

A. ONE IS PUBLICITY. WE DO NOT BELIEVE GPRM WILL BALK AT
PUBLICIZING THE AGREEMENT, BUT IT WILL PROBABLY WANT TO
KNOW IN WHAT WAY COMMODITIES ARE TO BE IDENTIFIED AT POINT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MAPUTO 00050 141201Z

OF SALE AS BEING PROVIDED BY U.S. ON CONCESSIONAL BASIS. IF
IDENTIFICATION IS NOT FLAUNTED, BELIEVE GPRM WOULD ACCEPT
THIS REQUIREMENT, EVEN THOUGH THE IDEOLOGUES IN CABINET AND
MEDIA WILL NOT BE HAPPY AT THIS FAVORABLE PUBLICITY FOR USA.

B. SECOND POSSIBLY CONTROVERSIAL POINT IS REQUIREMENT THAT
GPRM AGREE TO TAKE STEPS TO ASSURE THAT U.S. OBTAIN A FAIR

SHARE OF ANY INCREASED PURCHASE OR RICE BEYOND UMR LEVEL. AGAIN, SO LONG AS U.S. RICE IS COMPETITIVE, BELIEVE THIS PROVISION POSES NO MAJOR PROBLEM FOR GPRM. HOWEVER, IF GPRM WOULD BE EXPECTED TO BUY FROM U.S. REGARDLESS OF PRICE OR TERMS, BELIEVE GPRM WOULD OBJECT. GOVERNMENT'S PRACTICE IS TO LET TENDERS FOR COMMODITY PURCHASES, WITH SALE USUALLY GOING TO LOWEST BIDDER.

3. EVEN THOUGH GPRM MIGHT NOT BE HAPPY WITH THE ABOVE REQUIREMENTS, EMBASSY BELIEVES FOLLOWING ACTORS WOULD HELP TIP SCALES IN FAVOR OF AGREEMENT:

A. TANZANIAN EXPERIENCE. GPRM CAN BE EXPECTED TO ASK TANZANIAN GOVERNMENT FOR ITS VIEWS OF TITLE I PROGRAM. IF TANZANIAN EXPERIENCE AS BEEN POSITIVE (AND FOR PURPOSE THIS ANALYSIS WE ASSUME IT HAS BEEN), THIS WILL HELP REMOVE DOUBTS GPRM MAY HAVE ABOUT PARTICIPATING IN PROGRAM.

B. FOREIGN EXCHANGE POSES. IN REFTEL C, EMBASSY NOTED THAT GPRM OFFICIALS WERE NOT YET ACTING AS IF PRESERVATION OF FOREIGN EXCHANGE WAS AN URGENT MATTER. SINCE SUBMISSION THAT TELEGRAM, EMBASSY HAS LEARNED MOZAMBIQUE'S BEST SOURCE OF FOREIGN EXCHANGE, I.E. THE SOUTH AFRICAN SUBSIDY PAYMENTS TO GPRM OF PORTION OF SALARIES OF MOZAMBIKAN MINERS WORKING IN SOUTH AFRICA, MAY DECREASE DRAMATICALLY AS RESULT SOUTH AFRICAN DECISION TO DISCONTINUE OR REDUCE THIS WINDFALL SUBSIDY PAYMENT TO GPRM (MAPUTO 49). WITH DROP IN FOREIGN EXCHANGE EARNINGS IMMINENT, GPRM SHOULD FIND TITLE I RICE PROGRAM MORE ATTRACTIVE.

C. EMBASSY'S RELATIONSHIP WITH JOAO COSME. IN ALL PROBABILITY, LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MAPUTO 00050 141201Z

EMBASSY WOULD NEGOTIATE TITLE I AGREEMENT WITH JOAOCOSME, NATIONAL DIRECTOR OF INTERNATIONAL COOPERATION IN MINISTRY DEVELOPMENT. COSME IS ONE OF THE MORE PRAGMATIC OF SENIOR GPRM OFFICIALS. AMBASSADOR AND DCM HAVE ESTABLISHED GOOD WORKING RELATIONSHIP WITH HIM. BELIEVE COSME WOULD PRESENT TITLE I PROPOSALS TO MINISTER DEVELOPMENT DOS SANTOS AND PRIMIN IN POSITIVE LIGHT.

4. CONCLUSION. WEIGHING ALL FACTORS, EMBASSY ASSESSES CHANCES OF GPRM ACCEPTING PL480 TITLE I RICE PROGRAM TO BE SLIGHTLY BETTER THAN 50-50.

5. EMBASSY RECOMMENDATIONS. AMBASSADORS AND DCM'S RELATIONSHIP WITH COSME IS SUCH THAT WE BELIEVE WE COULD OBTAIN A READING FROM HIM AS TO LIKELY GPRM RECEPTIVITY TO TITLE I PROGRAM WITHOUT IN ANY WAY COMMITTING USG OR IMPLYING PROBABILITY OF SUCH PROGRAM. WE WOULD PUT IT TO HIM THAT WE WOULD BE PREPARED TO SOUND OUT WASHINGTON REGARDING POSSIBILITY OF TITLE I PROGRAM SHOULD HE THINK GPRM WOULD BE INTERESTED IN

PARTICIPATING. PLEASE ADVISE.
DE PREE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RICE, FOOD ASSISTANCE, PL 480 TITLE 1
Control Number: n/a
Copy: SINGLE
Sent Date: 13-Jan-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MAPUTO00050
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770014-0856
Format: TEL
From: MAPUTO
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770155/aaaabwgi.tel
Line Count: 118
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 401505da-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: STADIS, LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: STADIS
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: STADIS, LIMDIS
Reference: 76 STATE 312710
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3607561
Secure: OPEN
Status: NATIVE
Subject: ADDITIONAL FOOD ASSISTANCE FOR MOZAMBIQUE
TAGS: EAID, MZ, US
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/401505da-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009